

# Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION  
INTELLIGENCE DIVISION

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## COSTA RICA—COUNTRY PROFILE

DEA Office Responsible	San Jose Country Office
Population	3,398,000 in mid 1996
Area	51,100 square kilometers (19,730 square miles)
Capital	San Jose
Type of Government	Constitutional Republic

### Costa Rican Top Government Officials

President	<i>Doctor Miguel Angel Rodriguez Echeverria</i>
Vice President	<i>Doctora Astrid Fischel Volio</i>
Minister of Presidency and Planning	Danilo Chaverri Soto
Minister of Foreign Relations	<i>Ingeniero Roberto Rojas Lopez</i>
Minister of Government, Police, and Public Safety	Rogelio Ramos
Minister of Justice	<i>Licenciada Monica Nagel Berger</i>



## DRUG SEIZURES IN COSTA RICA 1996 - 2000

	1996	1997	1998	1999	2000
Cocaine (kilograms)	1,933	7,854	7,419	1,998	1,944
Marijuana (kilograms)	451	553	305	1,357	1,227
Cannabis Plants	110,002	176,000	731,580	2,152,648	2,043,006
Heroin (kilograms)	17.0	25.0	24.5	2.0	8.6
Drug Arrests	624	830	688	881	4,343

Source: DEA Costa Rica Country Office

## HISTORICAL COMMENT

Costa Rica's political system resulted from a brief civil war in 1948. Costa Rica remained stable from the early 1950s to the mid 1970s in part due to large-scale government spending on social programs by the ruling *Partido Liberacion Nacional* (PLN), and the re-incorporation of defeated ex-President Rafael Angel Calderon Guardia's followers into the political system as the major opposition party, the *Partido Unidad Social Cristiana* (PUSC). Although the PUSC managed to win the presidency in 1958, 1966, and 1978, the PLN remained the dominant party until 1990. Costa Rica's political system remained relatively stable throughout the country's social and economic crises of the 1980s and 1990s, as was evident through peaceful elections and alternating PLN and PUSC presidencies. Costa Rica's current President, Dr. Miguel Angel Rodriguez of the PUSC, was elected on a conservative platform of market-based economic policies and close ties with the U.S. Government.

## OVERVIEW

Costa Rica is a transshipment and staging area for South America-produced cocaine and heroin destined for the United States and Europe. Costa Rica's strategic location on the Central American isthmus makes the country an important transshipment route for drug traffickers from Central and South America, especially Colombia-based organizations. The country's dual coastlines, and the Pan-American Highway, which runs the length of the country, provide a variety of attractive smuggling routes that are heavily used by traffickers. During 1999 and 2000, drug traffickers used Costa Rica as a location to store and consolidate multihundred-kilogram cocaine shipments en route to the United States and Europe.

Costa Rica's cocaine seizure statistics declined sharply during 1999 and 2000 from the seizure levels of the previous 2 years. During 1997 and 1998, Costa Rican authorities seized record amounts of cocaine—over 7 metric tons each year. Faced with enhanced interdiction capabilities by Costa Rican police, drug trafficking organizations changed smuggling methods to reduce the chance of losing large cocaine shipments to law enforcement officials. Colombian cocaine traffickers increasingly transported multiton drug loads directly to Guatemala and Mexico using go-fast boats and aircraft to circumvent police presence along the Pan-American Highway during 1999 and 2000. After 1998, drug traffickers with smaller shipments used sport utility vehicles and hidden compartments in regular passenger cars to transport hundred-kilogram quantities of cocaine across the Costa Rican-Panamanian border. The result of these changes was a sharp reduction in cocaine seizure totals.

Cannabis is cultivated extensively throughout Costa Rica. During 1999 and 2000, the Costa Rican Government, working jointly with the U.S. Government, conducted extensive cannabis eradication campaigns, eliminating more than 4.2 million marijuana plants over 2 years.

## CULTIVATION AND PRODUCTION

Cannabis is grown in small plots in mountainous regions to the southwest of the Caribbean port city of Limon, especially in Sixaola, the Valle de la Estrella, and the Talamanca mountains near the Panamanian border, and in the Valle del General near the Pacific coast. Such cultivations are usually on a small scale and are sometimes intermixed with legitimate crops, but they are numerous, especially in the Talamanca region. Prior to 1999, when over two million marijuana plants were eradicated, U.S. and Costa Rican law enforcement agencies assumed that marijuana in Costa Rica was being produced exclusively for domestic consumption. However, the large seizure totals during 1999 and 2000 indicate that Costa Rican marijuana is being produced on a scale that would allow for export.

Costa Rica was the first venue for the new Operation CENTRAL SKIES, a regional law enforcement program, which provides U.S. Department of Defense helicopters and maritime assets to Central American nations for eradication efforts. Starting on January 26, 1999, Costa Rica hosted successful joint operations under CENTRAL SKIES, which, as of December 2000, resulted in the destruction of 4.2 million marijuana plants. During August 2000, a single CENTRAL SKIES operation eliminated 651,605 marijuana plants in the southern Pacific zone.

To date, there are no reports of coca or opium poppy cultivation in Costa Rica.

No illicit drug laboratories have been detected or reported in Costa Rica since 1986, when one insignificant cocaine processing laboratory was discovered.

## CHEMICALS

Costa Rica does not produce controlled chemicals. The Ministry of Health is responsible for chemical control in Costa Rica. Related legislation has been in effect since 1961, but the more significant statutes, controlling the importation, re-exportation, and internal usage of 46 precursor chemicals, have been in effect only since 1989. In 1996, this legislation was amended to add five chemicals. Further amendments in May 1998 strengthened controls and incorporated provisions of the Organization of American States (OAS) model regulation. All imports of precursor and essential chemicals must be approved by the Drug Department of the Public Health Ministry, and all manufacturers of such substances must register with this ministry and submit samples. The Public Health Ministry has effectively tracked the importation and distribution of precursor chemicals and prescription medicines for years, with comprehensive data entered into computer files. The importation, re-exportation, or internal utilization of controlled chemicals require lengthy application and screening processes, verification of necessary licensees, and background checks for prior violations. Firms also are subject to unannounced inspections, and the Ministry of Health maintains contacts with international counterparts, particularly source countries for controlled chemicals.

## DRUG TRAFFICKING TRENDS

The primary drug threat in Costa Rica is the transshipment of cocaine from South American source countries, particularly Colombia, to markets in the United States and Europe. Costa Rica's geographical position, with both Caribbean and Pacific coastlines and location directly north of Panama, defines its value to traffickers. Adding to its appeal is the Pan-American Highway, which runs the entire length of the country. Recently, drugs have entered Costa Rica via two primary methods, maritime and overland.



Maritime routes have mainly involved go-fast boats transporting cocaine from either the north coast of Colombia or San Andres Island to the Caribbean coast of Costa Rica. Go-fast boats transport multihundred-kilogram loads of cocaine to Costa Rica, where it is frequently transferred to maritime containers, concealed by perishable goods, and shipped on commercial vessels from the Port of Limon. Containers also are frequently transported overland from Limon by tractor-trailer trucks to San Jose, and then north to Guatemala via the Pan-American Highway. Large cocaine shipments are transported primarily to the Caribbean coastline near the Port of Limon. The primary routes to Costa Rica, via go-fast boat and other small craft, are from Colombia's San Andres Island, from Panama's Bacas del Tozo region, and south from Nicaragua's Corn Islands and the Port of Bluefields. The use of go-fast boats to smuggle drugs in the eastern Pacific Ocean increased during 1999 and 2000. Since the mid 1990s, Costa Rican law enforcement officials have detected an increasing amount of maritime smuggling, via commercial fishing vessels, in the Pacific Ports of Puntarenas—Puerto Caldera and Golfito.

Along the Caribbean coast, traffickers use go-fast boats or dugout canoes to move cocaine along the coastal and riverine waterways between Panama and Costa Rica. The cocaine subsequently is consolidated and loaded onto tractor-trailers in Costa Rica for further transport northward.

Much of the cocaine that is shipped overland first enters Panama in maritime containers from Colombia at the Panamanian Port of Colon. The containers are then loaded onto tractor-trailers, sealed, and transported north. The Pan-American Highway is the principal overland route used by traffickers to smuggle drugs into and through Costa Rica. Due to a series of large seizures in late

1998 and early 1999, drug traffickers have changed their methods of smuggling cocaine from Panama through Costa Rica. Previously, drug traffickers concealed multihundred-kilogram shipments of cocaine in tractor-trailers in Panama. During 1999 and 2000, drug traffickers became increasingly reluctant to use this method because the tractor-trailers were subjected to closer inspection in Costa Rica. Drug traffickers have increasingly used smaller vehicles to smuggle cocaine into Costa Rica through one of the more than 95 informal crossing points along the Pacific side of the Costa Rican-Panamanian border. In addition, drug traffickers increasingly are sending the smaller shipments directly to Nicaragua as quickly as possible instead of consolidating them in San Jose.

Drug trafficking organizations have also increased their use of the Sixaola port of entry on the Caribbean side of the Panamanian-Costa Rican border as an overland smuggling route for loads of cocaine, frequently hidden in shipments of lumber. The cocaine is shipped northward to the Caribbean Port of Limon, where the drug traffickers can either conceal it in cargo containers or ship it overland to San Jose.

The single port of entry along Costa Rica's northern border with Nicaragua at Penas Blancas contrasts with the relatively porous border with Panama. The Costa Rican Government and the Drug Control Police (PCD) have initiated procedures that focus law enforcement efforts at Penas Blancas, which is a logical chokepoint for interdiction. Improvements will include a drug interdiction center in Penas Blancas. Improved interdiction efforts at Penas Blancas likely will further reduce the use of the overland route for the transshipment of large amounts of cocaine.

Although Costa Rica has over 200 informal or clandestine airstrips, air smuggling in Costa Rica is believed to be at an all-time low, due to the relative ease of conducting transshipment via maritime and land-based means. However, there have been reported airdrops to waiting vessels off the Pacific coast of Costa Rica near the Playa del Coco area in northern Costa Rica and in the Osa Peninsula area in the south. Costa Rican authorities also are increasingly concerned about smuggling through the nation's smaller airports, which suffer from the lack of sufficient police control.

Heroin is smuggled through Costa Rica by independent Colombian trafficking groups. These traffickers typically employ couriers or "mules" to carry shipments of 1 or more kilograms through Costa Rica and on to the United States. Couriers traveling on commercial airlines use a variety of concealment methods including body carry, ingestion, concealment in carry-on luggage, and inside the soles of shoes. During 2000, Costa Rican police seized a total of 8.6 kilograms of heroin, mostly from couriers transporting kilogram quantities through the Juan Santamaria International Airport.

## **DRUG ABUSE/INTERNAL DRUG TRAFFICKING**

Drug use in Costa Rica consists primarily of marijuana and cocaine, mostly crack cocaine. Both marijuana and cocaine HCl are readily available in small quantities in nightclubs, discos, and through small-time street dealers.

Crack cocaine is widely abused throughout the country (most notably in the port area of Limon on the Atlantic coast). The Costa Rican Ministry of Health announced that the number of drug addicts in Costa Rica in 1997 was 120,000 (4 percent of the country's population), up from an estimated 100,000 in 1995. An estimated 85 percent of Costa Rica's drug addicts are addicted to crack cocaine. As is the case in the rest of Central America, Colombian trafficking organizations pay local Costa Rican transporters in cocaine, which local groups then convert to crack for distribution in Costa Rica's urban areas.

Cocaine, both in powder form and converted to crack, became somewhat less available during 1999 and 2000, and the street price doubled from 1998 levels. The reduction of the domestic cocaine supply resulted when drug trafficking organizations increasingly smuggled large cocaine loads by air and by sea directly to Guatemala and Honduras in an effort to bypass law enforcement efforts in Costa Rica. The change in smuggling routes was a direct result from law enforcement successes against land-based smuggling operations in 1997 and 1998. As a result of the reduction in the amount of cocaine entering and exiting Costa Rica, the local supply of cocaine has declined.

During 2000 the club drug MDMA, imported from Europe, became increasingly popular in urban areas.

The majority of the marijuana consumed in Costa Rica is produced locally, but a small amount is smuggled from Panama into Costa Rica, primarily on the Caribbean coast.

The Ministry of Public Security has operated a local Drug Abuse Resistance Education (DARE) program since 1991. The Costa Rican program operates in 500 schools and, in 1996, was chosen as the world's top international DARE program. DEA collaborated with DARE Costa Rica, in November 2000, in conducting the first Red Ribbon Campaign outside the United States.

## **MONEY LAUNDERING**

The money laundering threat in Costa Rica is difficult to quantify. In the past, Costa Rica has been attractive to traffickers because of its lax bank-reporting regulations, the lack of declaration requirements in terms of the importation/exportation of currency and financial instruments, and the facilities available to foreigners for the purchase of real estate. However, the Government of Costa Rica signed a reformed drug code into law on May 5, 1998, which significantly strengthened new drug-related financial laws. The 1998 law requires the reporting of suspicious transactions, transactions over \$10,000, and cross-border movements of currency. It also provides liability protection for bank employees.

The 1998 law established a Financial Investigations Unit (FIU) that is responsible for receiving and analyzing suspicious financial transaction reports and investigating money laundering. The FIU has since been accepted as a member of the Egmont Group, also known as the International Association of Financial Investigation Units, which is an international anti-money laundering network involving nearly 50 countries. The Costa Rican FIU also has established direct relations with the Financial Crimes Network (FINCEN) in the United States.

Financial institutions, currency exchange houses, traditional casinos, Internet gambling operations, and real estate are used as cover to facilitate the laundering of illicit proceeds from drug trafficking. The off-shore financial sector also poses significant problems for law enforcement agencies. As of December 2000, 24 Costa Rican financial entities had subsidiary banks established in foreign jurisdictions. Offshore financial entities follow the regulations of foreign bank authorities and are not subject to Costa Rican supervision, nor are they required to provide information concerning individual accounts to Costa Rican auditors.

## **PRICES**

Costa Rican Government sources report that marijuana sells for as little as US\$0.45 per dosage unit and from US\$93 to US\$140 per pound.



The street price of cocaine HCl is approximately US\$11 per gram in San Jose, up from previously reported prices of US\$4 to US\$6 per gram during 1998. Cocaine is widely available along the Panamanian border and the Caribbean coastline, and can be purchased for as little as US\$3 per gram.

The Costa Rican Government estimates the price of Colombian heroin in Costa Rica to be between US\$100,000 and US\$200,000 per kilogram.

## COUNTERDRUG ENFORCEMENT

Costa Rica's President, Dr. Miguel Angel Rodriguez, assumed office in May 1998 and continued efforts by the previous administration to professionalize executive branch police forces under the 1994 National Police Code. The Judicial Investigative Organization (OIJ) and the Public Prosecutor's Office enacted a new criminal code in January 1998 that requires police investigators and prosecutors to work closely in all criminal cases. However, the most significant recent accomplishment enhancing law enforcement efforts was the approval and implementation of the Bilateral Maritime Counterdrug Agreement between the United States and Costa Rica, which went into force in November 1999.

The Ministry of Public Security of Costa Rica controls the Public Forces (with 3,000 officers) and the Border Guard (with 2,000 officers). The primary counterdrug agencies in Costa Rica are the OIJ and the PCD. Unlike the rest of Central America, Costa Rican law allows for drug-related wiretaps, undercover operations, and controlled deliveries, all of which occur routinely.

The OIJ falls under the Costa Rican Supreme Court of Justice. This institution contains a 30-member narcotics unit based at its headquarters in San Jose. Additionally, most of the OIJ delegations in the rural areas throughout the country have one or two agents assigned to drug enforcement duties. The OIJ also is equipped with a financial investigation office in San Jose. The OIJ is adept at complex investigations and bears the responsibility of conducting follow-up investigations of all drug cases nationwide.

The PCD falls under the Ministry of Public Security and is responsible for airport interdiction as well as land-based interdiction at the primary points of entry. This unit is composed of approximately 70 officers in the central San Jose-based unit, with smaller units stationed in rural areas. The PCD has seven five-to-seven-man delegations in Costa Rica's larger outlying cities.

The Ministry of Public Security commissioned the first of four mobile police stations in December 1998. These stations are fully self-supporting units built in the trailers of tractor-trailer trucks. They have rooms for booking suspects, computer access to the OIJ's main computer system, living quarters for eight police officers, and are escorted by other police vehicles when traveling outside San Jose.

The Fiscal Police falls under Costa Rican Customs and is responsible for investigating tax fraud cases. It is the only agency with the authority to open containerized cargo without a court order.

In January 1999, the PCD installed a permanent office at Penas Blancas with U.S. Government assistance. Improvements to the Penas Blancas Port of Entry will include improved inspections of south-bound traffic to search for illegal arms, currency, precursor chemicals and stolen equipment. The single year-round crossing between Costa Rica and Nicaragua at Penas Blancas provides a unique opportunity for law enforcement officials to reduce overland cocaine trafficking through

Central America. All large trucks must pass through Penas Blancas to exit or enter Costa Rica's northern border. During most of the year there are no alternative routes for large vehicles to bypass the main crossing. Although there are about 15 secondary crossing points along the Costa Rican-Nicaraguan border, most of these are passable only during the dry season by smaller vehicles. A determined cargo inspection program in Penas Blancas is expected to greatly reduce the ability of trafficking groups to use Costa Rica as a staging area for large overland cocaine shipments.

## LEGISLATION, TREATIES, CONVENTIONS

On December 1, 1998, U.S. and Costa Rican representatives signed the Bilateral Maritime Counterdrug Agreement, also known as the Shipriders Agreement and the Companion Memorandum of Understanding. The bilateral maritime treaty was passed by the Costa Rican legislative assembly and went into effect in November 1999. The treaty is the only comprehensive agreement of its kind between the United States and a Central American country, and has resulted in closer cooperation in the interdiction of maritime smuggling. In January 2000, the U.S. Government donated an 82-foot U.S. Coast Guard cutter to the Costa Rican Government in a ceremony held in the Pacific Port of Puntarenas, as the first major action in the implementation of the Bilateral Counterdrug Maritime Agreement. As of December 2000, the U.S. Government was planning the transfer of a second cutter and eight smaller boats to the Costa Rican Coast Guard. The first important joint exercise between the United States and Costa Rica under the maritime agreement was conducted in March 2000.

## CONCLUSIONS/PROJECTIONS

Colombian trafficking groups will continue to use Costa Rica as a transshipment point for cocaine. Cocaine shipments of 150 kilograms or less will continue to enter Costa Rica overland across the Panamanian border and by go-fast boats to the Caribbean coast. Although cocaine is currently in short supply in Costa Rica, it is still present, and Costa Rican society will continue to suffer from drug addiction, especially from crack addiction along the Caribbean coast and in San Jose.

The prospects for successful interdiction campaigns and prosecution of traffickers, while difficult, are better in Costa Rica than elsewhere in Central America. Costa Rican law enforcement institutions enjoy an excellent working relationship with law enforcement agencies from other nations, including the United States. Costa Rica does not have a history of armed conflict, and thus does not have large groups of de-mobilized guerrillas and soldiers who need to be reincorporated into its society. The Costa Rican judicial system functions more effectively than judicial systems in the rest of Central America, and Costa Rica has experienced fewer incidents of judicial and police corruption. The Rodriguez Administration is determined to fight drug trafficking and has demonstrated a willingness to cooperate with the United States. The Bilateral Maritime Counterdrug Agreement between the United States and Costa Rica represents a formalized level of cooperation that is unique in Central America.

This report was prepared by the Mexico/Central America Unit of the Office of International Enforcement Support. Comments and requests for copies are welcome and may be directed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.